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MANAGEMENT COUNCIL NEWSLETTER

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A summary of significant events of
interest to USDA management

FEB 14 '79

Issue #18
August 22, 1975

PROCUREMENT SECTION
CURRENT REVIEW

MANAGEMENT AND BUDGET

HIGHLIGHTS OF AUGUST 21 COUNCIL MEETING.....

DUE DATES...

- ... Input for the October OA and OI conference is DUE in Mr. Bolduc's Office.
- ... Comments on the Printing Composition Task Force Report should be submitted to Mr. Bolduc by August 29.
- ... Any further recommendations concerning the OA Executive Development position must be submitted ASAP to Sy Pranger.
- ... Council members are to review the Resource Exchange Program (REP) charter and draft by-laws. Please notify Lou Bracato, 344-3767, by Sept. 5, whether or not there will be a change in your REP member.

Gail Sedgwick, ARS, and Jack Deinema, FS, discussed their agencies Executive Development Programs. It was noted that ARS' program is in the developmental stage now while FS' program is operating.

OPE FUNCTIONS REDISTRIBUTED.....The major objective of the reorganization announced in Secretary's Memorandum No. 1876 (July 25, 1975) is to strengthen the coordination of special studies within USDA. OMF will now be responsible for the development of comprehensive long-range program plans and program evaluation. 8 professionals and 6 support staff are transferring to OMF; 1 professional and 1 clerical, to OA; and 3 professionals, to ERS. (Contact: Jerry Miles, OMF, ext. 73323)

SECRETARY TO ADDRESS ADMINISTRATIVE MANAGEMENT CONFERENCE.....The purpose of the conference is to give key level managers in the Office of the Secretary a better understanding of the management process in that Office. Each Staff Director will make a presentation. The conference will be August 27-28, instead of August 28-29 as reported in Issue #16. (Contact: J.P. Bolduc, SEC, ext. 77247)

OA AUDIT PROCEDURE MAY BE HEADED FOR COURT TEST.....An OA audit of the Los Angeles Food Stamp Project, performed at the request of FNS, used statistical sampling to find a program loss during a test month of at least \$756,00. The State of California, which has a policy against honoring claims based on statistical sampling, may contest the billing of the State agency for the \$756,000 loss. If so, the action could lead to OA's first court case on the use of statistical sampling. (Contact: W.F. Dickson, OA, ext. 72287)

GRAIN INVESTIGATIONS BRING NEW INDICTMENTS.....The OI/FBI/U.S. Attorney grain investigations resulted in additional indictments in New Orleans against 35 persons and firms during the first half of August. The latest group brought the total to 57 individuals and firms that have been indicted for various criminal activities involving the U.S. Grain Standards Act, the U.S. Warehouse Act and income tax invasion. (Contact: Rod Elam, OI, ext. 76979)

PERSONNEL

NEW WHITE HOUSE FELLOW TO JOIN USDA.....Thomas J. Kline, Jr. will report Monday, August 25. Dr. Garrey E. Carruthers, the present Fellow, will be returning to New Mexico State University.

ADMINISTRATIVE OPERATIONS

CONGRESS RECOMMENDS REDUCTION IN FUNDS FOR GSA RENTAL PAYMENTS.....Both the House-passed and Senate-passed appropriation bills for FY 1976 recommend an approximate 13% reduction in funds requested to pay the Standard Level User Charge (SLUC) to GSA. The impact on GSA and the ripple effect on USDA -- if any -- is being assessed. (Contact: Bill Roth, OO, ext. 75225)

USDA PROCUREMENT OF GOODS AND SERVICES INCREASES 15% FROM FY 1974 TO FY 1975.....The amounts, broken down by agency, are:

<u>AGENCY</u>	<u>FY 1974</u>	<u>FY 1975</u>
FS	\$147,837,000	\$176,789,000
SCS	53,505,000	57,896,000
ARS	30,422,000	31,206,000
APHIS	12,831,000	15,284,000
OO	8,762,000	13,196,000
EMSC	5,232,000	3,332,000
ASCS	2,379,000	3,199,000
FNS	4,584,000	3,109,000
Other Agencies	5,035,000	6,120,000
TOTAL	<u>\$270,587,000</u>	<u>\$310,131,000</u>

Of this amount, 68.76% was procured from small business concerns. (Contact: Dean Smith, OO, ext. 77527)

COOPERATIVE AGREEMENTS, GRANTS, CONTRACTS -- WHEN AND HOW SHOULD EACH BE USED.....OMF/GSA are leading a study group to examine how agencies are using these types of instruments. The report of this group, due this December, will closely relate to the progress of S. 1437. That bill would prescribe the conditions under which each of these types of instruments could be used. As presently drafted, those conditions are:

To Procure

Contracts

To Assist

Grants, when there is minimal Federal involvement

Cooperative Agreements, when there is substantial Federal involvement

When enacted, and it is almost certain to become law in this Congress, S. 1437 will have a major impact on USDA. Cooperative agreements as we know them are unique to Agriculture and Interior. Department staff analysts believe there has been some erosion in the integrity of the use of cooperative agreements in USDA and that, in whatever form S. 1437 is enacted, many of our present cooperative agreements will become contracts and others will become grants. (Contact: Dean Smith, 00, ext. 77527)

COURT REVERSES DEPARTMENT OF DEFENSE (DOD) DECISION TO CLOSE DOWN FACILITY.....Army performed four cost analyses on performing certain functions "in-house" vs "contracting out." The later two analyses, in favor of contracting, contradicted the earlier two by a sizable margin. The American Federation of Government Employees brought suit against DOD. The courts found that the computations were "so clearly erroneous as to shock judicial conscience." The court inferred that this was a case of a predetermined conclusion with subsequent computations to justify the recommendation. (Reference: Federal Contract Report, July 21, 1975.) Currently, a Navy decision to transfer certain activities from the Washington area is being contested in court by Prince Georges County. The significance here is that decisions to close or relocate facilities may be subject to judicial review. (Contact: Bill Roth, 00, ext. 75225)

CENTRAL SERVICES

ADP REQUIREMENTS STUDY BEING REVIEWED BY GSA.....ADS delivered the ADP Requirements Study (containing the workload projections, privacy and security of ADP systems, and alternatives for computer power) and the Telecommunications Plan to GSA. We are now awaiting word from GSA as to their position on the computer procurement. USDA has responded to the GAO report which was issued earlier. (Contact: H.W. Meetze, ADS, ext. 76275)

FIELD INSTALLATION ADP REQUIREMENTS TASK FORCE MEETING.....ASCS data processing plans were discussed at the August 14 meeting. SCS plans are to be discussed on Sept. 3. (Contact: R. Williams, ADS, ext. 72118)

ADS SUMMARIZES AGENCY ADP PLANS FOR FY 1976-77.....Following are the highlights:

- ... Trends in agency ADP processing suggest the demise of the punch card as ADP input and the increasing use of advanced systems concepts that additional hardware capability has made possible.
- ... Agencies are taking measures to reduce problems associated with ADP input and output.
 - . The use of the key-to-disk operation, where key units controlled by a mini-computer, enter data directly onto disk units.
 - . The use of scanning devices that read data directly from source documents onto tape or disk units.
 - . The use of terminals to key data directly into the Computer Center.
 - . The expanded use of Computer Output Microfilm to speed output and reduce storage and mailing costs.
- ... An overriding trend seems to be the use of the total systems concept in the planning and development of new ADP applications.
- ... Agencies are using more terminals and are increasing their use of inter-active processing to improve program development efforts by reducing programming time.

Inhibiting these trends somewhat are the uncertainties associated with the Departmental ADP procurement. Accordingly, some development efforts are being held in abeyance until resolution of the procurement has been made. (Contact: H.W. Meetze, ADS, ext. 76275)

EQUAL OPPORTUNITY

MINORITY BUSINESS OPPORTUNITY COMMITTEES (MBOC) REPRESENTATIVES MEETING CANCELLED.....Deputy Administrators for Management have been notified. (Contact: P. McCloskey, OEO, ext. 77117)

INDIAN PROGRAMS BROCHURE AVAILABLE.....It is now being distributed. See Issue #16 for background. (Contact: R. Peer, OEO, ext. 77327)